

75. *Right Hon. Mr. Seddon.*] The Kumara claims have not been big claims?—No; they are small claims.

76. *Mr. R. McKenzie.*] But you have a limited supply of water which can only supply a certain number of men. Probably the company could keep it going day and night, while the men could not?—I think 120 head for eight hours would be a very large supply indeed. Where the water is brought into a sluicing claim they are not employed in sluicing the eight hours. A great portion of the time the men are employed removing stones and doing other work about the claim, and they may only use their water for two or three hours out of the eight.

77. Is this ground as rough as it is at Kumara?—I think it is about the same class of country. There is no doubt that it is a second Kumara.

78. Suppose the Government reserved all their auriferous ground until the water was put in and then farmed the claims at a rental?—That would be a new aspect altogether on a mining field. There may be something in it; but I think it would be preferable to let the miners take the ground up under ordinary conditions. The local bodies get direct revenue in the shape of miners' rights.

79. Supposing the claims were sold by auction, how much would you get?—The objection to that would be that only men with money would be able to buy the claims, and the average miner would be left out in the cold, or would have to make terms with those who bought the leases.

80. *Right Hon. Mr. Seddon.*] The ground at the present time is taken up by miners' rights on simple application. The revenue goes to the County Council. Would the County Council, which gets the revenue, guarantee the interest on the subsidy that is paid by the Government; or, if that could not be done, if the Government put on this ground as much as was spent in subsidising the race—if they put an amount on the claim per acre, adding the acreage survey, it would be equal to say 4 per cent. on the Government subsidy. It would not be much per acre, and yet it would pay interest. That, I think, is what Mr. McKenzie was driving it?—That would be about £600 a year. The difficulty would be that this poorer ground in the lower part of the flat would be paying the same as those larger claims earning big money when the water was available.

81. Supposing the miners paid £1 a year each, that would practically give you your interest on the subsidy?—Yes, certainly, and it would not perhaps be an unreasonable demand to make on them.

82. There is another way of doing it: that is, you could charge the water at a given price; and it seems to strike me as the best solution of the difficulty. You say the present rate is 10d. My own opinion is that you want to start the price of the water at a higher amount, and you would have to classify the claims, the same as we have done in the Kumara. They would be able to pay 2s. on some ground better than they could pay 6d. on other ground. Supposing you arrange with a company to bring in the water. The charge, say, would be 10d. The Government would get its portion of the payment per head, and the other portion would go to the company. It would be like two parties going into the venture?—Yes.

83. Twopence per head going to the Government would more than pay 5 per cent. on the money we put into it?—I like that proposal better than the proposal for a poll-tax on the miners using the water.

84. If the charge per head were made 8d., with 6d. to go to the company and 2d. to the Government, the company would collect the amount and pay the Government?—I do not think that would be an unreasonable proposal to make. If the field is what we believe it to be the miners could well afford to pay it. The price then would be less than they are now paying.

85. Say the race cost £60,000, the Government would put in, say, £20,000, and the company £40,000. The Humphrey's Gully Company is in exactly the same position as the Government were. The Humphrey's Gully race as a race has paid the company nothing. It simply pays them expenses, and they keep it working; but as to giving them any profit, it simply gives them bare maintenance expenses and nothing more. If the scheme is carried out it will, as in the case of the Kumara race, bring the project to fruition?—In addition to what money they might have to put in they have already put in over £40,000 to bring the water to the present terminal point.

86. Suppose the company would not go on with the extension of the race, do you think you could float a company which, with the Government subsidy, would undertake the work?—Yes, if you made it a condition that we could charge a little more for the water to provide the necessary interest and sinking fund. There is no doubt we should have a better chance of raising the money in New Zealand if we had the right to charge an extra 2d. per head.

T. W. BEARE, member of the Hokitika Borough Council and of the Back Creek Water-supply League, examined. (No. 2.)

87. *The Chairman.*] Do you wish to add anything to what Mr. Michel has said?—I can only corroborate to a very emphatic extent what Mr. Michel has already told you. There are one or two points that might be mentioned to further convince you of the payableness of the field. The Government already recognise that the only way to clear away the tailings is to allow the miners to put them into the river. It may be said that this might have been stopped by the freeholders; but they felt that to do so would injure the industry, and they recognised that it was only a matter of time when the field must be a paying one, and that they would have to concede the right. The river has now been proclaimed as a sludge-channel for tailings. The next point is to show the confidence of the miners in the field. Some time ago there was a small catchment area for the supply of water to the Rimu field, and this was for sale. The miners bought the right, and a series of races connected with it. To do this, and to enable them to build a series of dams, a large sum of money was required. They purchased the water-rights for £5,000, and were required to pay that off, principal and interest, at the rate of £750 a year. So well has the field paid them that they have not only paid the instalments of principal and interest, but now, instead of having a mortgage of £5,000 on the races and dams, they have only £1,000. That money has been